



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 9/9/2004

**GAIN Report Number:** MX4313

## Mexico

## Exporter Guide

## Annual

## 2004

**Approved by:**

Bruce Zanin  
ATO Mexico City

**Prepared by:**

Kate Snipes

---

**Report Highlights:**

The hotel, restaurant and tourism, food processing and retail sectors in Mexico all present good opportunities for US agricultural exports. The overall growth in the market is 12 percent for the first 6 months of 2004, on pace for US agricultural, fish and forestry exports of \$9.4 billion for the year.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Mexico (MX)  
[MX]

## Section 1: Market Overview

Mexico's economy rebounded from a GDP growth rate in 2002 of less than one percent to a growth rate of about 1.3 percent in 2003, resulting in a GDP of \$687 billion, or \$6,608 per capita. Projections for 2004 put annual growth at about 3.4 percent, for an estimated GDP of \$712 billion, or \$6,758 per capita<sup>1</sup>. The population is about 105 million and is growing at an annual rate of 1.1 percent. Inflation is 3.8 percent, and the peso is hovering between 11 to 11.5 pesos to the US dollar, depreciating about 10 percent over the past year. Recent press reports project a slightly slower rate of GDP growth, slowing inflation, and an exchange rate of about 11.6 pesos to the dollar for 2005. The primary sources of foreign funds flowing to Mexico are: oil, about \$19 billion; remittances from the United States, \$13 billion; foreign direct investment, \$11 billion; and tourism, \$9 billion. Services represent about half of Mexico's GDP, followed by industrial production at about a quarter. Agriculture accounts for only about 4 percent of GDP.

Mexico has a slight trade deficit, with exports of \$165 billion, and imports of \$170 billion, of which 62 percent are from the United States. Mexico enjoys an overall trade surplus with the United States, to which 89 percent of its exports are destined. However in agriculture, fish and forestry products, Mexico exported about \$7 billion worth of products to the United States, and imported \$8.4 billion in 2003. In 2004, at current growth, US agricultural exports to Mexico will be \$9.4 billion. The United States has a 75 percent import market share in agricultural products, followed by Canada with 6 percent. The market share has dropped slightly, from 77 percent, in 1998, as Mexico has aggressively initiated trade agreements with other countries and regions. Mexico has negotiated free trade agreements with 32 countries on three continents and is currently negotiating agreements with at least five countries.

Under NAFTA, Mexico has become one of the largest and fastest growing markets for US agricultural products. NAFTA was fully implemented in 2003 resulting in duty free entry for most US agricultural products. US agricultural fish and forestry exports have more than doubled since the onset of NAFTA (from \$4.1 billion in 1993). In addition, Mexico rebounded from the financial crises in the early nineties, and the resulting banking and fiscal reform have resulted in a more robust and stable economy. With the additional political reform reflected in the election of a president from a new political party for the first time in 70 years in 2000, Mexico has proven itself to be a modern, stable democracy. The next presidential elections will occur in 2006. Currently there are no set candidates for the major parties, nor is it obvious which party has the advantage.

Demographic changes in Mexico bode well for increasing exports. Women continue to join the workplace in larger numbers, which leads to increased demand for consumer-ready food products. In 1990 approximately 30 percent of women were employed, in 1997 this increased to 39.4 percent, and the most recently reported figure, 2000, indicate that 44.6 percent of women from the ages of 15-64 are working outside the home. This figure is generally higher in the eight cities with populations of over 1 million. In addition, 63 percent of Mexico's population is between 15 and 64, a population that is moving to the cities in greater numbers, and is purchasing a larger proportion of their food requirements at large retail supermarkets and convenience stores.<sup>2</sup> These

<sup>1</sup> The Mexican Ministry of Finance projects GDP growth at 3.5 percent, but other independent organizations project more modest gains.

<sup>2</sup> Population age demographics from CIA fact book July 2004.

retail businesses represent the best sales venues for US exporters. Traditional markets still have a large market segment, but are not as viable an option for imported products because they are small individual vendors and have limited storage and refrigeration space. However, some dry, less perishable products such as peanuts, are an option for the smaller markets.

Economic and political stability, the full implementation of NAFTA, increasing per capita income, and lack of arable land make Mexico an excellent long-term prospect for US agricultural products.

Highlights for sales of US Agricultural Fish and Forestry Products to Mexico based on figures from January to June 2004:

- Based on export growth during the first six months of 2004 of 12 percent, exports of agricultural fish and forestry products are projected to reach \$9.4 billion for the year.
- For the first six months there is growth across the following product categories: bulk, 18 percent; intermediate, 27 percent; and forestry, 11 percent.
- Record sales are likely in 2004 for both intermediate and bulk products. Leading the growth in bulk and intermediate products, and on pace for record sales are rice, wheat, soybeans and soybean meal and animal fats.
- Fish and seafood product exports are showing a reversal of the strong growth in 2003 with a decline of 20 percent, due primarily to the higher US prices for fresh and processed salmon, and stable prices for like products from Chile.<sup>3</sup>
- Consumer ready product sales are showing a decline of 1.5 percent, primarily due to the 30 percent drop in meat sales due to the BSE crisis. Other consumer ready products experienced significant growth such as snack foods, 12 percent; poultry meat, 44 percent; and dairy products, 69 percent.
- Strong growth in forest product sales are led by logs and chips, 11 percent; softwoods 15 percent; and other high value wood products, 16 percent.

---

<sup>3</sup> Prices have stabilized in the US states for salmon since June, so year end sales will likely reflect a smaller decline.

## Advantages and Challenges for US Exporters in Mexico

Advantages	Challenges
<ul style="list-style-type: none"> <li>◆ The majority of US products now enter Mexico tariff-free</li> <li>◆ Mexican consumers recognize US brands and labels and associate US made products with high quality and value</li> <li>◆ The US has strong reputation for consistency in the quality and supply of US products among retail chains</li> <li>◆ Population in urban centers in growing and the rate of employment among women is continuing to grow</li> <li>◆ Proximity to US market keeps transportation costs to Mexico low</li> <li>◆ The Mexican peso continues to be relatively stable in its relation to the US dollar, making unexpected price fluctuations less likely</li> <li>◆ Continued growth in almost all sectors of the processed food industry in Mexico, and increased investments from national and international based companies, including from the US, will raise the need for inputs</li> <li>◆ The major retailers are developing increasingly sophisticated distribution systems, which will provide more space and better cold chain technology for high-value imports</li> </ul>	<ul style="list-style-type: none"> <li>◆ Mexico continues to explore and use individual product by product policy measures on a few sensitive products to protect the domestic industry, such as considering safeguard and anti-dumping cases</li> <li>◆ Increasing competition from Mexican food processing companies</li> <li>◆ Mexican consumers are very price conscious, and imported US processed products in general are 15-40 percent higher in price</li> <li>◆ Transportation and distribution methods inside Mexico are undeveloped in many regions</li> <li>◆ Imported products are subject to often onerous Mexican quality standards (NOMs) and labeling requirements</li> <li>◆ Phytosanitary and technical barriers and labeling requirements can cause border crossing problems and delays as Mexican import regulations can change rapidly and without notice</li> <li>◆ Mexico has signed 10 trade agreements in the last decade covering 60 percent of the world's GDP, including Europe; thus increasing third country competition</li> </ul>

## Section II. Exporter Business Tips

### Business culture

Personal relationships are the primary base of Mexican business relationships. Mexicans attach great importance to courtesy in all business endeavors. Many will not want to do business, regardless of the viability of the project, with someone who does not practice general courtesy or is considered rude or disrespectful. A warm handshake combined with conversation about the person's well being, family, or other similar topics prior to launching into any conversation related to business is considered a common courtesy. The concept that "time is money" should be left at the border, and though Mexican businesses are also conscious of the bottom line, courtesy and diplomacy are more important values to most Mexicans than getting immediately "down to business". In the face of a disagreement, Mexicans tend to be skilled at diplomacy and choose to avoid confrontation and loss of face. In a potential confrontation they strive to reach a consensus

without having clearly defined winners and losers. These skills of diplomacy are important when approaching all forms of business in Mexico.

Personally visit your Mexican clients in Mexico. If a Mexican client visits you in the United States, you are expected to wine and dine him. You will be accorded similar treatment when visiting Mexico.<sup>4</sup>

### Entering the Mexican Market

The best way to understand the Mexican market is to visit the marketplace and to talk to buyers, retailers, distributors and other players in order to prepare a more effective entry strategy. US exporters must do their research not only in terms of typical market research, but also finding appropriate business contacts and thoroughly reviewing Mexican import regulations in order to successfully seize market opportunities and overcome market challenges.

US exporters should consider contacting local distributors/importers as an important early step in their efforts to establish themselves in the Mexican market. A good distributor should promote sales and make sure that the imported products are available at points of sale. It is essential to maintain close contact with your representative, especially regarding changes in import procedures and documentation.

An affordable way to investigate the market is to participate in and/or attend Mexican trade shows, particularly US Pavilions organized at selected shows. A show can serve as a way to contact local distributors/sales agents, buyers and businessmen, and to become familiarized with local competition. In the case of new-to-market companies, be prepared to provide support for in-store and media promotions to familiarize consumers with your products. If possible, develop product information/promotional pamphlets in Spanish.

More information is available on specific import regulations in the GAINS report MX1205 that includes information on the processes and procedures for exporting products across the US-Mexican border. Furthermore, the US Agricultural Trade Offices (ATO) of the US Embassy with offices in Mexico City and Monterrey can provide general market and sector specific information, as well as assist US exporters in identifying trade contacts and developing their marketing strategies in Mexico.

## **Section III. Market Sector Structure and Trends**

### **A. Retail Sector**

There are approximately 5,729 retail stores in Mexico selling food and beverages, a figure that includes outlets for major retail chains and government and convenience stores, but excludes small family stores. The retail market posted a seven percent increase in sales from 2002 to 2003. In the same period the net sales growth for the four leading retailers was as follows: Wal-Mart, 9 percent; Comercial Mexicana, 4.9 percent; Gigante, 3.2 percent, and Soriana, 7 percent.

---

<sup>4</sup> The reference for this section is a book by Eva Kras, Management in Two Cultures, Intercultural Press, Inc, 1995, which provides an excellent comparison of the business cultures in the US and Mexico.

Formal retail space expanded by 8.9 percent in 2003, following a 5.4 percent increase in 2002. The top four retailers invested approximately \$847 million in 2003 to establish new outlets and increase floor space. Soriana plans to spend roughly \$223 million in 2004. Wal-Mart expects to invest \$625 million over the next 18 months to open 77 new outlets. Comercial Mexicana will also invest \$181 million during the same period, increasing their retail space by ten percent.

The major retailers are developing increasingly sophisticated distribution systems. Comercial Mexicana opened a facility north of Mexico City that is handling approximately 80 percent of its dry goods. Wal-Mart launched its newest distribution center in Monterrey in July 2003 and plans to inaugurate a 2.1 million square foot facility for fresh and frozen goods in late Fall 2004. Texas-based HEB developed a 300,000-square-foot distribution center just north of Monterrey for both perishable and dry goods. Despite advances in logistics, retail stores still depend heavily on local distributors, especially for frozen food and perishables.

Supermarkets and department stores continue to provide US exporters with the best points-of-sale. Convenience stores are potentially excellent venues for US product, though most chains sell relatively few imported goods. Traditional retail stores serve a large number of Mexican consumers but offer less potential for selling imported products.

#### Competition in supplying products to the retail sector

Local producers are the main suppliers of consumer ready products. Mexico has a relatively strong food processing industry and leading Mexican brands have well-developed national distribution networks, are well-positioned in the market and enjoy high brand awareness with consumers. Some of these companies include Grupo Industrial Bimbo (bread products) considered to have one of the country's best distribution systems, Nestle (food products in general), Herdez (food products in general), Sabritas (snack foods) Grupo Industrial Lala (dairy products) and Jugos del Valle (canned fruit juices).

There are also several American and multinational producers/importers in Mexico, including: Campbell's, Bacardi, General Mills, Gerber, Kellogg's, Kraft Foods, Procter & Gamble, Frito Lay-Pepsico, Pilgrim's Pride, Purina, and Tyson.

Competition among importers depends on the category. Competition from Europe has increased as a result of the Mexico-European Union Free Trade Agreement, although meat and dairy products were excluded from the treaty. Canada, Australia and New Zealand export notable amounts of meat and dairy products to Mexico. New Zealand butter, for instance, is well-positioned in Mexico City retailers.

For additional information on the retail sector, please refer to the upcoming Mexico GAINS retail report to be released in November 2004.

## **B. Food Processing Sector**

Mexico offers very good opportunities for suppliers to the processed foods sector. The demand for processed foods is increasing and the industry is keeping pace; the sector grew by an average 9.2 percent annually from 2000 to 2003. US suppliers dominate Mexican imports of raw

materials for the sector and are well positioned to capitalize on increased demand for high quality food ingredients.

According to the Mexican Secretary of Commerce Business Registry (SIEM), there are 8,111 food manufacturing companies processing a wide range of products. The following sectors experienced the highest growth from 2000 to 2003: baked goods, 55.4 percent; dairy, 48.1 percent; flour and grains, 17.2 percent; beverages, 14.5 percent; fish and seafood, 13.9 percent; and animal feed, 7.2 percent. The industry produced \$39.8 billion worth of goods in 2003 and is expected to produce \$44.9 billion in food and feed products in 2004.

Mexico imports from the United States six times as much of raw material for the industry as it exports, and imports to the sector grew 23 percent between 2001 and 2003. The figures indicate a strong and growing dependence upon foreign suppliers to the industry, and US suppliers are well positioned to take advantage of these opportunities.

The following imports of raw materials for the food-processing sector experienced the highest rates of growth from 2001 to 2003:

Sunflower seeds (805%)	Fresh and frozen meat (94%)
Various seed oil (223%)	Seafood other than fish (85%)
Olive-Residue oil & Blends (205%)	Pig, poultry fat, rendered (83%)
Flour & Meal of oilseeds (162%)	Rye grain (81%)
Potato flour, meal flakes (155%)	Tree nuts (70%)
Flaxseed (155%)	Fish, fresh or chilled (66%)

For additional information on the food processing and ingredients sector, please refer to the upcoming Mexico GAINS food processing report to be released in November 2004.

### **C. Hotel, Restaurant, Institutional (HRI) Sector**

Mexico's hotel, restaurant and institutional food services (HRI) sector continues to provide export opportunities. Total hotel and restaurant sales in Mexico were estimated at \$56 billion in 2003. According to Mexico's Secretary of Tourism, there are 12,518 hotels with 496,292 rooms in Mexico, and over 234,872 restaurants. Mexico has been hit by the worldwide tourism slump; the number of visitors decreased by 6.6 percent from 2001 to 2003. Despite this decline tourist spending increased by 11 percent during the same period. However, tourism rebounded strongly in the first half of the year and 2004 could see a record number of visitors to Mexico.

US suppliers continue to enjoy favorable market conditions as Mexican consumers become more discerning and American restaurants and hotel chains expand operations in Mexico. US products are perceived to be of higher quality than those of local producers, especially red meat, poultry and dairy products. American products dominate imports with the main competition coming from local firms. Of all food products consumed in hotels, approximately 15 percent is imported.

The decline in tourism has affected purchasing practices. An industry source notes that some hotels have instituted centralized controls that limit individual hotels' ability to purchase new items. Independent



distributors serve the HRI sector almost exclusively. While some hotels and restaurants do import directly, US suppliers need to serve the market through an established distributor.

The best prospects for US exporters are with the large hotel groups and international-class restaurants since smaller establishments use fewer processed foods. Many US food products, including frozen beef, are purchased directly at large club stores for use in many restaurants.

For additional information on the HRI sector, please refer to the upcoming Mexico GAINS HRI report to be released in November 2004.

## Section IV. Best High Value Product Prospects

US consumer oriented agricultural product sales grew almost 12 percent in 2003, though have dipped slightly, 1.5 percent, in the first six months of 2004 due to the limitations on beef imports. Other products within the category continue to fare well such as snack foods, poultry, dairy, breakfast foods such as dry cereals, and wine and beer. In addition, Mexico is on pace for record imports of bulk and intermediate products for 2004.

### US EXPORTS OF CONSUMER READY AND INTERMEDIATE AGRICULTURAL PRODUCTS

(In Thousands of US Dollars; Calendar Year Information)

Product	2001	2002	2003	Percent Growth in 2004*
Dairy Products	249,076	201,961	251,385	69
Poultry Meat	257,987	173,825	259,536	44
Snack Foods	331,431	157,813	179,657	12
Bfast cereals/dry mixes	37,799	49,767	57,318	14
Processed Fruits and Vegetables	314,920	329,832	383,768	8
Wine/beer	54,572	43,456	57,299	28
Red Meats (fresh/chilled/frozen)	1,036,953	1,077,403	1,126,343	-27**
Red Meats (prepared/preserved)	68,947	82,260	83,359	3**
Rice	81,298	103,465	140,398	48
Soybean Meal	52,166	86,757	150,812	66
Wheat flour	3,506	5,700	9,998	9
Forest products	373,545	384,301	396,817	11

\*Indicates the percent growth shown in the first six months of 2004 as compared to the same period in 2003.

\*\*The large decrease in sales of fresh/chilled frozen red meats and the small increase in prepared/preserved red meats were due to the BSE case in the United States and subsequent import ban. US red meat sales to Mexico are an excellent long-term prospect.



## Section V. Key Contacts and Further Information

The primary mission of the US Agricultural Trade Office (ATO) in Mexico City is to assist in the market development and promotion of US food and agricultural products in the Mexican market. There are a wide variety of activities and services that the ATO, along with other private sector representatives called “cooperators,” make available to help develop US agricultural interests in Mexico. If you have any questions or comments regarding this report or need assistance exporting US food and beverage products to Mexico, please contact the ATOs in Mexico City or Monterrey.

### US Agricultural Trade Office, Mexico City

Bruce Zanin, Director  
Jaime Balmes No. 8-201  
Col. Los Morales Polanco  
11510 Mexico, DF  
Tel: (011-5255) 5281-6586  
Fax: (011-5255)-5281-6093  
email: atomexico@usda.gov

### US Agricultural Trade Office, Monterrey, Mexico

Dan Martinez, Director  
Oficinas en el Parque Torrell  
Blvd. Diaz Ordaz No. 140, Piso 7  
Col. Santa Maria, 64650  
Monterrey, Nuevo Leon  
Tel: (011-5281) 8333-5289  
Fax: (011-5281) 8333-1248  
e-mail: atomonterrey@usda.gov

## Cooperators

### AMERICAN FOREST & PAPER ASSOCIATION

Claudia Villagomez, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5282-2111, 5282-0993  
Fax: (011-5255) 5282-0919  
e-mail: cvillagomez@prodigy.net.mx

### AMERICAN HARDWOOD EXPORT COUNCIL

Luis Zertuche, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5282-0909/0918  
Fax: (011-5255) 5282-0919  
e-mail: luiszertuche@prodigy.net.mx

## AMERICAN SOFTWOODS AND AMERICAN PLYWOOD ASSOCIATION

Fernanda Vale Garza, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5280-6402/05  
Fax: to be determined  
e-mail: softwood\_fvale@softwood.org

## CALIFORNIA WINE INSTITUTE

Jessika P. Gonzales, Director  
Sur 75 #4415  
Col. Viaductor Piedad  
08200, Mexico, D.F.  
Tel/Fax: (011-5255) 5538-3390  
e-mail: jessygonzalez@yahoo.com

## AMERICAN SOYBEAN ASSOCIATION

Mark Andersen, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5281-0120, 5281-6150  
Fax: (011-5255) 5281-0147  
e-mail: usamex@soyamex.com.mx

## GRUPO PM SA DE CV

Luis Moreno, Director  
Mercurio 24, Col. Jardines de Cuernavaca  
62580 Cuernavaca, Morelos  
Tel: (011-52) (777) 316-7370  
Fax: (011-52) (777) 316-7369  
e-mail: grupopm@grupopm.com

## COTTON INCORPORATED

Olivia San Roman (Tentative)  
Av. Insurgentes Sur #1605  
03900 México, D.F.  
Tel: (011-5255) 5663-4020  
Fax: (011-5255) 5663-4023  
e-mail: OSanroman@cottoninc.com

## NATIONAL COTTONSEED PRODUCTS ASSOCIATION

Ricardo Silva, Representative  
Paseo de las Eglantinas 4157  
Fracc. Parques de la Canada

25020 Saltillo, Coahuila  
Tel/Fax: (011-52-844) 489-3285  
e-mail: ricsilva@infosel.net.mx

**MARKETING SOLUTIONS**

Raul Caballero, Director  
San Juan de Los Lagos #52, S. Monica  
54050 Naucalpan, Edo. de Mexico  
Tel: (011-5255) 5362-7407  
Fax: (011-5255) 5362-6724  
e-mail: raul@marketingsolutionsfirm.com

**NATIONAL RENDERERS ASSOCIATION**

German Davalos, Director  
Jaime Balmes # 8 - 20  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5281-6080  
Fax: (011-5255) 5281-6085  
e-mail: nramex@nralatinamerica.org

**NATIONAL SUNFLOWER ASSOCIATION**

Jose Luis Escamilla, Representative  
Jose Ma. Rico #212-702  
Col. Del Valle  
03100 Mexico, D.F.  
Tel: (011-5255) 5524-8273/5524-8192  
Fax: (011-5255) 5534-8997  
e-mail: escgrain@avantel.net, rivercat@compuserve.com.mx

**US DAIRY EXPORT COUNCIL**

Larry Solberg, Director  
Av. Lindavista #25 Depto. 405  
Col.Lindavista  
07050 Mexico, D.F.  
Tel & Fax: (011-5255) 5119-0475/76 /77  
e-mail: usdecMex@prodigy.net.mx

**US GRAINS COUNCIL**

Ricardo Celma, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5282-0973/0974/0977/0244  
Fax: (011-5255) 5282-0968, 5282-0969  
e-mail: mexico@grains.org.mx

## US MEAT EXPORT FEDERATION

Gilberto Lozano, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5281-6100  
Fax: (011-5255) 5281-6013  
e-mail: mexico@usmef.org

## US POULTRY &amp; EGG EXPORT COUNCIL

Jose Luis Cruz, Director  
Oficinas en el Parque Torrell  
Blvd. Diaz Ordaz No. 140, Piso 7  
Col. Santa Maria, 64650  
Monterrey, Nuevo Leon  
Tel: (011-5281) 8333-7582  
Fax: (011-5281) 8333-1248  
e-mail: luispo@prodigy.net.mx

Alma Lilia de Leon, Deputy Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5282-0946  
Fax: (011-5255) 5282-0952  
e-mail: aliliadeleon@prodigy.net.mx

## US WHEAT ASSOCIATES

Mitch Skalicky, Director  
Jaime Balmes # 8 - 201  
Col. Los Morales Polanco  
11510 Mexico, D.F.  
Tel: (011-5255) 5281-6560  
Fax: (011-5255) 5281-3655  
e-mail: mskalicky@uswheat.org

## WASHINGTON STATE APPLE COMMISSION

Juan Carlos Moreira Martin  
Hda. Coyotillos #128 Juriquilla  
76230, Queretaro, Qro.  
Tel: (011-442) 234-1989  
e-mail: moreira@prodigy.net.mx.

## Appendix I. Statistics

### A. Key Trade and Demographic Information

Agricultural Imports from All Countries (1)	\$11,495 million
US Market Share (1)	75 percent
Consumer Food Imports from All Countries (1)	\$5,438 million
US Market Share (1)	70 percent
Edible Fishery Imports from All Countries (1)	167 million
US Market Share (1)	31 percent
Total Population/Annual Growth Rate	105.36 million/ 1.1 percent
Urban Population (Urbanization 75%)	78.80 million
Number of Metropolitan Areas (3)	8
Size of the Middle Class (4)	31 percent of total population
Per Capita Gross Domestic Product	\$6,758
Unemployment Rate	3.4 percent
Percent of Female Population Employed (5)	45 percent
Exchange Rate	US\$1 = \$11.3 Mexican Peso (9/04)

#### Footnotes

(1) United Nations Statistical Data

(2) Figures based on growth of 1.1 percent from 104.21 million 2003 figure

(3) Population in excess of 1,000,000; in order from largest: Mexico City, Guadalajara, Monterrey, Puebla, Leon, Toluca, Ciudad Juarez, Tijuana

(4) This measurement is from 1996, measuring the percent of the population in the middle two income brackets, no more recent income bracket information has been published

(5) Calculated using total number of women 15 –64 years old: 30,255,456 and total number of women employed: 13,490,915, Source INEGI 2000

**B. Mexican Imports****Mexican Imports from the United States and the World**

(In Millions of USD)

	Imports from the world			Imports from the US			US Market Share		
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Consumer Oriented Ag Total</b>	<b>4769</b>	<b>5659</b>	<b>5438</b>	<b>3249</b>	<b>3851</b>	<b>3795</b>	<b>68</b>	<b>68</b>	<b>70</b>
Snack Foods (Excl. Nuts)	233	296	284	133	165	167	57	56	59
Breakfast Cereals & Pancake Mix	30	36	43	29	34	41	96	93	96
Red Meats, Fresh/Chilled/Frozen	1279	1515	1586	1012	1156	1250	79	76	79
Red Meats, Prepared/Preserved	145	192	173	138	177	154	96	93	89
Poultry Meat	259	300	246	249	280	233	96	93	95
Dairy Products (Excl. Cheese)	566	737	546	139	232	171	25	31	31
Cheese	143	191	179	50	69	67	35	36	37
Eggs & Products	27	24	29	27	23	27	98	93	91
Fresh Fruit	417	481	411	306	349	295	74	73	72
Fresh Vegetables	112	119	121	97	104	101	87	88	83
Processed Fruit & Vegetables	320	354	365	204	231	238	64	65	65
Fruit & Vegetable Juices	39	42	31	32	34	24	82	81	78
Tree Nuts	56	59	49	47	50	43	83	85	87
Wine & Beer	89	113	125	36	46	54	41	41	44
Nursery Products & Cut Flowers	47	51	49	33	33	29	70	65	59
Pet Foods (Dog & Cat Food)	89	118	113	87	114	105	98	97	94
Other Consumer-Oriented Products	918	1031	1086	629	753	795	69	73	73
<b>Fish and Seafood Products</b>	<b>117</b>	<b>156</b>	<b>167</b>	<b>42</b>	<b>53</b>	<b>53</b>	<b>36</b>	<b>34</b>	<b>31</b>
Salmon	7	8	6	2	2	1	24	19	21
Surimi	1	3	2	1	1	1	65	39	48
Crustaceans	29	47	53	14	17	16	48	36	30
Groundfish & Flatfish	28	35	49	7	9	11	24	27	22
Molluscs	9	8	7	4	3	3	40	34	39
Other Fishery Products	43	56	50	16	22	21	37	39	41
<b>Agricultural Products Total</b>	<b>10292</b>	<b>11627</b>	<b>11495</b>	<b>7626</b>	<b>8606</b>	<b>8635</b>	<b>74</b>	<b>74</b>	<b>75</b>
<b>Ag Fish &amp; Forestry Total</b>	<b>11294</b>	<b>12698</b>	<b>12613</b>	<b>8247</b>	<b>9170</b>	<b>9200</b>	<b>73</b>	<b>72</b>	<b>73</b>

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

## C. Mexican imports from Major Suppliers

## Mexican Imports from Top 15 Suppliers of Consumer Foods and Edible Fishery Products

(In Thousands of USD)

## CONSUMER-ORIENTED PRODUCTS

	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>United States</b>	<b>3248593</b>	<b>3851191</b>	<b>3794690</b>
Canada	270282	373673	351270
Chile	208809	272211	268410
New Zealand	143800	246516	226596
Australia	78069	95987	93334
Spain	50250	65042	69728
Netherlands	63923	66386	68563
Germany	112813	67099	54133
Argentina	45951	88441	51134
Ireland	63398	37085	47135
Uruguay	49325	46464	39374
Poland	48146	96166	36829
France	54957	41890	35994
Belgium	27665	33989	32679
United Kingdom	40503	10199	26299
Other	262221	266432	241498
<b>World</b>	<b>4768741</b>	<b>5658818</b>	<b>5437693</b>

## FISH &amp; SEAFOOD PRODUCTS

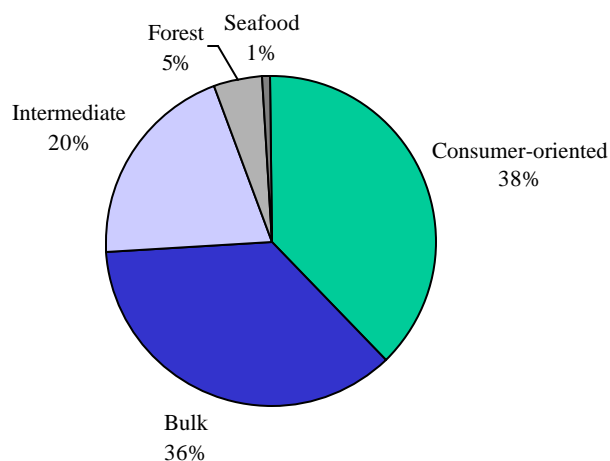
	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>United States</b>	<b>42479</b>	<b>53378</b>	<b>52597</b>
Chile	15690	16540	15731
China (Peoples Republic of)	4084	7130	13982
Spain	7887	8901	10711
Venezuela	2294	8490	8938
Canada	6463	6535	8166
Costa Rica	1650	6850	7829
Norway	3555	7005	7641
Ecuador	6331	8755	6688
Taiwan			
(Estimated)	3340	4418	6136
Thailand	1723	1472	3773
India	2716	4282	3674
Colombia	289	1521	2727
Brazil	173	1247	2157
Korea, Republic of	865	2293	1921
Other	17496	17480	14736
<b>World</b>	<b>117052</b>	<b>156303</b>	<b>167421</b>

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office



**D. Charts comparing composition by product category for US sales of agricultural, fish and forestry products**

Product segment's share of Mexico's \$8.39 billion market for US agricultural products 2003



Product segment's share of Mexico's \$5.5 billion market for US agricultural products 1998

